

1 out.

2 A My answer would be the same, sir.

3 Q Please turn to Mass Media Exhibit 84. Now, we're up  
4 to November 7, 1984 and you will notice on the line that reads  
5 "Re:" that we have a new addition. Can you tell us what  
6 "E.T.T." is and there is something on the bottom of the page  
7 which may help you there?

8 A Educational Television of Texas, I think was a  
9 corporation that was formed to initially be the recipient of  
10 one of the non-commercial stations but I'm a little fuzzy  
11 here, I think it ultimately made more sense to simply place  
12 all of -- at least the Texas non-commercial stations within  
13 the CET corporation.

14 Q Would it be your understanding that with respect to  
15 any work performed on behalf of Educational Television of  
16 Texas that the rate charged was the same as the rates for the  
17 other companies that are listed here?

18 A I believe that would be the case, I don't recall the  
19 specific number.

20 Q Now, do you recall whether or not there was a  
21 separate retainer letter prepared relative to Educational  
22 Television of Texas?

23 A I would have no knowledge of that.

24 Q You're not aware of any though?

25 A No, sir.

1 Q Please turn to Mass Media 85.

2 A Yes, sir.

3 Q Now, I can save you a little bit of trouble because  
4 by and large there's virtually no information at all in this  
5 return, did you have -- did you review this return at all  
6 prior to its completion and apparent, and I will say apparent  
7 because we don't know for certain sending it to the IRS.

8 A I have no knowledge or memory at all of ever seeing  
9 this document.

10 Q Do you know or have any knowledge whether anyone  
11 connected with Translator TV, Inc., which at this point is  
12 yourself, Mrs. Duff and Reverend Espinoza, looked at this form  
13 prior to its being sent to the Internal Revenue Service?

14 A The only person I can be sure of, Mr. Shook, is the  
15 auditors who prepared this and also signed it.

16 (Off the record. Back on the record.)

17 Q And by that you're referring to it looks like a Mr.  
18 Hawkins, Jr., on page 3?

19 A Yes, sir.

20 Q And he's not a TBN employee, he works for the  
21 accounting firm?

22 A Yes, sir.

23 Q Please turn to Mass Media Exhibit 86.

24 A Yes, sir, I'm there.

25 Q All right, to help orient you to what this is you

1 will see that it's the audited financial statements for the  
2 years ending December 31, 1983 and 1982 and if you turn to  
3 page 3 you will see that the bulk of this document was  
4 prepared on or about August 14, 1984 but that what we have  
5 here includes something that took place in November of 1984,  
6 do you see that?

7 A Yes.

8 Q Now, if you turn to page 12 --

9 A Yes, sir.

10 Q -- we have a statement as to organization and basis  
11 of combination, if you could read that first paragraph there  
12 to yourself.

13 A Yes, sir, I've read that.

14 Q Now, did you have any discussion with the accounting  
15 firm as to which company should and should not be included on  
16 the basis of the organizational paragraph that's noted here?

17 A I don't recall any specific conversation but I  
18 believe that we were all generally aware that the entities who  
19 had a majority of the same board of directors should be  
20 grouped together.

21 Q Okay, and that's apparent in the last sentence of  
22 that paragraph that you're looking at which reads "the  
23 majority of the board of directors of each of the affiliate  
24 companies consist of individuals who are also members of the  
25 board of directors of TBN."

1 A Yes, sir.

2 Q That's what you're referring to?

3 A Yes.

4 Q Now, you'll note that immediately prior to that  
5 sentence there is a reference to Community Education TV, CET  
6 d/b/a Paradise Acres --

7 A Yes, sir.

8 Q -- that apparently that company met the definition.  
9 However, we see not reference for Translator TV, Inc. and so  
10 apparently, according to the way this was put together, it did  
11 not meet that definition.

12 A Evidently so.

13 Q All right, now, turn to pages 27, 29 and 31 --

14 A Yes, sir.

15 Q -- you will note columns in the middle of each of  
16 those pages for Translator TV, Inc.

17 A Yes, sir, I see that.

18 Q Do you recall there being any discussion as to the  
19 propriety of the inclusion of Translator TV, Inc. in this  
20 financial statement?

21 A I recall no such conversation.

22 Q And focusing your attention on pages 30 and 31, I  
23 recognize it's difficult to read at the bottom of the page but  
24 it appears that the figures that are noted on the last two  
25 lines for each of the columns are supposed to be "Fund Balance

1 Beginning of Year" and "Fund Balance End of Year", do you see  
2 that?

3 A Yes, sir.

4 Q Now, if you move to page 31, we have the column for  
5 Translator TV, Inc. which reflects a fund balance at the  
6 beginning of the year of -\$106,256.00 and at the end of the  
7 year it's now -\$206,853.00. Was this the subject of any  
8 discussion among the board members of Translator TV, Inc.?

9 A I recall no such discussion, sir.

10 Q Please turn to Mass Media Exhibit 87. Looking at  
11 the -- just look at the second paragraph to yourself.

12 A Yes, sir, I've read that.

13 Q Do you recall whether any consideration was given  
14 for Translator TV, Inc. to acquire the construction permit for  
15 Channel 33 in Bend, Oregon?

16 A No, sir, I recall no such consideration.

17 Q Please turn to Mass Media Exhibit 89.

18 A Yes, sir, I'm there.

19 Q Now, you will recall from prior newsletter that  
20 where there was a listing of stations that we had determined  
21 that the listing of stations were the owned and operated  
22 stations. Now, I'd like you to look at the list at the bottom  
23 of page 1 and tell me whether that is still the case.

24 A Again, Mr. Shook, the purpose for even listing these  
25 was to list the studio location so that viewers within those

1 communities would know how to get to their local station or  
2 their local studio and I do see now that Channel 44 in Texas  
3 is listed here in Harlingen and I suppose by the virtue of a  
4 majority of the board of KLUJ TV being a majority of the board  
5 of Trinity Broadcasting, by some definition it could be  
6 classified as an owned and operated station, albeit a  
7 completely different class of station.

8 Q Well, now, with the addition of Harlingen, do you  
9 have any recollection as to how that information came to be  
10 added, who would have been involved in that process?

11 A I think as new stations came on line, they just  
12 automatically got added to this little directory of station  
13 locations.

14 Q And do you have any recollection as to who would be  
15 involved in that automatic process?

16 A Probably Mrs. Christ and my wife and other people in  
17 the promotions department.

18 Q Would you in turn have reviewed this newsletter  
19 before its release?

20 A Very possibly.

21 Q Please turn to Mass Media Exhibit 91.

22 A Yes, sir.

23 Q And what we have here is the 1985 annual meeting.  
24 Now, on page 1, paragraph 1, it notes which companies are  
25 present at this meeting, do you see that?

1           A     Yes, sir.

2           Q     And the companies included include Translator TV,  
3 Inc., Community Educational Television and now we have some  
4 additional ones, Trinity of Europe, Ltd., Trinity Broadcasting  
5 of Ciskei and Trinity Broadcasting of Nevis, do you see that?

6           A     Yes, sir.

7           Q     Now, are these -- these companies are not only the  
8 owned and operated companies but there is something else going  
9 on here too, or are these simply the owned and operated  
10 companies?

11          A     I think in this case it's simply a listing of all of  
12 the companies that were attending this combined boards of  
13 directors meeting.

14          Q     Was there a common thread as to why the companies  
15 listed are the ones that are at this meeting?

16          A     It was certainly all of the companies in which  
17 Trinity at least had a interest.

18          Q     I'd like you to turn to page 2.

19          A     Yes, sir.

20          Q     The middle of the page where it says, "The FCC has  
21 started to grant applications on low-power stations. We are  
22 receiving contacts", etc. Do you see that?

23          A     Yes, sir.

24          Q     And then also the next paragraph?

25          A     Yes, sir.

1           Q     Now, in terms of the locations noted where it says  
2 "we are waiting on low-power stations", etc., can you tell us  
3 who the "we" is?

4           A     I believe in this context that the "we" would be  
5 Trinity Broadcasting Company.

6           Q     Would it also include Translator TV, Inc.?

7           A     I don't believe so simply because as we have already  
8 testified the primary purpose of TTI was to file for  
9 applications under the minority preference.

10          Q     So you understand the reference here, "we are  
11 waiting on low-power stations" to mean matters for which you  
12 already have a construction permit as opposed to matter for  
13 which applications are pending?

14          A     I couldn't be sure just by reading these two  
15 paragraphs.

16          Q     You're not certain.

17          A     No, sir.

18          Q     Now, down at the bottom of page 2, do you see the  
19 reference to Garth Coonce of TriState, Inc., TriState TV,  
20 Inc.?

21          A     Yes, sir.

22          Q     Now, going back to the first page in terms of the  
23 companies that are present, I see no listing for TriState TV  
24 so I take it TriState itself is not there but -- well, why is  
25 TriState not there if we have Mr. Coonce there at this



1 meeting?

2       A     Remember Mr. Shook this is both the combined boards  
3 of directors meetings as well as the affiliate meeting, the  
4 affiliates of Trinity are always welcome to attend, generally  
5 speaking, on the second day. The first day is usually  
6 consumed with the business matters that are involved with the  
7 various corporations. The second day generally is opened up  
8 to virtually anybody that wants to come in, that has any  
9 interest in the network.

10       Q     I'd like you to turn to page 3.

11       A     Yes, sir.

12       Q     The middle of the page, paragraph beginning "The  
13 Board then considered the audited financial statement."

14       A     I see that.

15       Q     In consideration of the financial statement, do you  
16 recall there being any discussion among the board members of  
17 Translator TV, Inc. as to its situation?

18       A     I don't remember any specific conversation but  
19 generally speaking we examined company-by-company and line-by-  
20 line so I'm confident that the TTI line item was at least  
21 examined.

22       Q     But you have no recollection of any discussion that  
23 took place relative to the information that was there?

24       A     No, sir.

25       Q     Now, moving down to the bottom of the page, page 3,

1 do you see the references to Mr. Espinoza?

2 A Yes, I see that.

3 Q Now, did you have any discussion with Mr. Espinoza  
4 about what it is that he's expressing his appreciation for? I  
5 take it he's not expressing appreciation for the negative  
6 figures for Translator TV, Inc.

7 A No, sir, you'd have to ask Mr. Espinoza. I think  
8 he's expressing his appreciation to God for his faithfulness,  
9 remember this was in some context, a religious meeting as  
10 well, with prayer and reports of various endeavors spiritually  
11 as well as materially.

12 Q Well, I understand that, the reason I asked my  
13 question is that if you look at the immediately preceding  
14 paragraph it reflects that your brother Philip moved that the  
15 audited financial report be approved and that that motion was  
16 seconded by Mr. Espinoza and then immediately following was  
17 Mr. Espinoza's expression of appreciation and so that's why I  
18 related the two, I was wondering if you had made that  
19 connection through conversations with Reverend Espinoza.

20 A No, sir, I did not.

21 Q Now, turning to pages 4, 6, and 7 -- or, excuse me,  
22 4, 5, and 6. Now, why don't you just take a little moment to  
23 glance through those.

24 A Yes, sir, I've scanned them.

25 Q Now, you'll note that Mrs. Duff is now no longer a

1 director of the network Arizona, Florida, Oklahoma City,  
2 Indiana, Denver, New York, Washington but that she was a  
3 director of Translator TV, Inc., Community Educational  
4 Television, Trinity Towers, Ciskei and Nevis. Do you have any  
5 explanation as to how it came about that she was a director in  
6 some instances but not in other instances?

7 A Well, I think the record's fairly clear that for a  
8 time she was a director of both Trinity and the wholly-owned  
9 subsidiaries of Trinity and her resignation that we spoke of a  
10 bit earlier for both the network in Florida probably included  
11 these other entities.

12 Q Now, in 1985, was there any less of a need for Jane  
13 Duff as a minority to be integrated into the ownership and  
14 management of TBN and its owned and operated companies than  
15 there was in 1984 or 1983, going back to 1979 when she was  
16 added to the board of TBN?

17 A I don't think there would have been any less of a  
18 need.

19 Q Do you have any further explanation as to why Mrs.  
20 Duff is not a director then of those companies?

21 A Of my understanding and to the best of my memory,  
22 Mrs. Duff simply felt that she was getting so consumed and so  
23 busy with her many other duties as liaison with FCC counsel,  
24 overseeing EEO, ascertainments, programs to meet those  
25 ascertained needs, public file, now then CET is beginning to

1 | come on-line and you'll just have to ask Mrs. Duff. It was  
2 | her decision, she made it and my understanding was she just  
3 | felt like she was getting so busy and so consumed with other  
4 | matters that she didn't have time to spend with all of these  
5 | other boards.

6 |       Q     With the leaving of Mrs. Duff from those boards, did  
7 | you give any consideration to the addition of any other  
8 | minority individual to the boards on which she had served for  
9 | which she was no longer serving?

10 |       A     Not to my recollection.

11 |       Q     In terms of a person being proposed or nominated for  
12 | board membership for a particular company, can you tell us who  
13 | would have been the person to arrange and make such proposals?

14 |       A     Well, I think that would vary from company to  
15 | company and board to board. Do you have a specific instance?

16 |       Q     Well, looking at 1985 which is the meeting we have  
17 | here. Let's say Trinity Broadcasting of Florida. Now, we  
18 | know that Mrs. Duff was a board member the year before, but  
19 | that she had resigned in August --

20 |       A     Um-hum.

21 |       Q     -- now, we're up to January, who, if anyone, is  
22 | making a proposal that the people who are listed here as board  
23 | members will be the board members for the upcoming year?

24 |       A     I don't recall anybody really making any suggestions  
25 | for change. What typically happened was if there were a

1 change of personnel, a new manager at one of the stations, and  
2 as I testified earlier, if that individual was a mature  
3 individual, one that we had great confidence in, that  
4 individual, in some cases, was invited and asked to serve on  
5 the board of that corporation.

6 Q Please turn to page 6.

7 A Yes, sir.

8 Q Do you see the reference "The Board of Trinity  
9 Broadcasting Network then considered the purchase of low-power  
10 stations for" and then there's a listing of eighteen  
11 communities.

12 A Yes, sir.

13 Q Do you recall there being any consideration as to  
14 whether Translator TV, Inc. should be involved in the purchase  
15 of any of those markets?

16 A I recall no such discussion.

17 Q Was any consideration given to the size of the  
18 minority populations in any of those markets?

19 A I don't recall such consideration.

20 Q Was any consideration given as to whether or not any  
21 of your markets there were for state capitals?

22 A Yes, I do recall that, I -- that would have been my  
23 idea, I felt like it would be beneficial to have a presence in  
24 state capitals where legislators lived. We hoped that the  
25 moral influence of our programming might even reach them.

1 Q But that was in the context of Trinity owning the  
2 Translator not Translator TV, Inc. owing the Translator?

3 A That is correct?

4 Q Would you please turn to Mass Media Exhibit 92.

5 A Yes, sir.

6 Q The very last paragraph where you see there was  
7 consideration of a loan?

8 A Yes, sir.

9 Q Now, as I understand it Channel 17 in Canton never  
10 did become a part of Trinity of Indiana but was picked up  
11 directly by Trinity Broadcasting Network, correct?

12 A That is correct.

13 Q Did there ever reach a time when there was actually  
14 a loan, however, made by Trinity Broadcasting Network to  
15 Indiana in consideration of the possibility of acquisition of  
16 Channel 17, Canton?

17 A I don't believe such a loan ever was made.

18 Q Please turn to Mass Media Exhibit 93.

19 A Yes, sir.

20 Q And this is the audit report for the year ending  
21 December 31, 1984, do you see that?

22 A Yes, sir.

23 Q Now, please turn to page 4.

24 A I'm there.

25 Q And you note that this document was prepared on or

1 about June -- it looks like 25, 1985, it would be in the left-  
2 hand part underneath the writing?

3 A Yes.

4 Q You see that?

5 A I see it.

6 Q Now, the middle paragraph on this page reflects that  
7 there was now a separate audit report for Community  
8 Educational Television, do you see that?

9 A Yes.

10 Q Do you have any explanation as to why that came  
11 about?

12 A To the best of my memory I believe this was a  
13 recommendation of the auditors themselves.

14 Q Now, if you would please turn to pages 8 and 9.

15 A Yes, sir, I'm there.

16 Q Do you see the columns for Translator TV, Inc.?

17 A I do.

18 Q And do you recall there being any discussion as to  
19 the propriety of including Translator TV, Inc. in this  
20 combined balance statement or financial report, rather?

21 A I think by now it was simply a pattern that  
22 Translator TV's separate line item was included on the overall  
23 subsidiary and affiliates statement.

24 Q And I'd like you to turn to page 9. Do you see the  
25 figures for fund balance, it would be the last two lines on

1 that page?

2 A Yes, sir.

3 Q And do you see that the fund balance for Translator  
4 TV, Inc. went from -\$206,853.00 to -\$277,103?

5 A Yes, sir.

6 Q Do you recall there being any discussion among the  
7 board members as to what is going on with Translator TV, Inc.  
8 that these numbers should appear?

9 A I recall no such discussion. In retrospect, I  
10 certainly agree that there probably should have been some but  
11 I recall no such discussion, sir.

12 Q Turning to page 10, under the Roman -- or the No. 2,  
13 the word "organization"?

14 A Yes.

15 Q Subpart "A", do you see that Translator TV, Inc. is  
16 designated as a direct affiliate?

17 A Yes.

18 Q Did you have any discussions with the auditing  
19 company as to what was meant by this and why Translator TV,  
20 Inc. was included here?

21 A This is our -- the auditors language, Mr. Shook, and  
22 I am not sure I understand it. The only thing I can figure  
23 out is that by direct affiliate they are simply recognizing  
24 again the commonality of Mrs. Duff and myself as board  
25 members.



1 Q No, I mean -- what my question was, was had you any  
2 conversation, apparently you had not.

3 A No, sir.

4 Q So you have no direct knowledge as to why this  
5 Translator TV, Inc. is listed as a direct affiliate.

6 A No, sir.

7 Q Nor do you have any direct knowledge as to what the  
8 term "direct affiliate" means here.

9 A No.

10 Q Please turn to Mass Media Exhibit 94.

11 A Yes, sir.

12 Q Do you recognize that this is the 1984 return for  
13 Translator TV, Inc.?

14 A Yes, sir.

15 Q Did you review this form prior to its being sent to  
16 the Internal Revenue Service?

17 A I have no memory of reviewing this document.

18 Q Do you know whether anyone connected with Translator  
19 TV, Inc. reviewed this document prior to its being sent to the  
20 Internal Revenue Service?

21 A No, sir.

22 Q Do you recall there being any discussion among the  
23 board members of Translator TV, Inc. as to the propriety or  
24 the accuracy of the return and the statement as to what the  
25 fund balances were which you can find by looking at page 3?

1           A     No, sir, these reports, since we were an exempt  
2 organization and there was no taxes assessed anyway, I did not  
3 look at it and I have no knowledge if any other staff member  
4 looked at it other than as I said earlier, the individual Mr.  
5 Hoffman who apparently signed and filed this return.

6           Q     Who, if anyone, at TBN would have looked at this  
7 return prior to its being sent to the Internal Revenue  
8 Service?

9           A     I can only think of two individuals and that would  
10 have been either Mrs. Duff and/or the director of finance for  
11 Trinity.

12          Q     Who at this time would have been whom?

13          A     I believe Mr. John Casoria would have been.

14          Q     Now, one thing I noticed on page 4 of this return  
15 and that I neglected to bring to your attention and ask you  
16 about was the addition of your brother as an assistant  
17 secretary of Translator TV, Inc. and we can go back to the  
18 1985 meeting if necessary but I think it's fairly plain that  
19 he's noted there --

20          A     Yes.

21          Q     -- that is, being added as an assistant secretary.  
22 And the question that I have for you is, why did that come  
23 about?

24          A     Philip Crouch at that time was chief of staff, and  
25 again, was a valuable person for garnering signatory --

1 routine signatory necessities.

2 Q Well, focusing specifically on Translator TV, Inc.  
3 what was happening or what was likely to happen that it would  
4 be necessary to have such a person added?

5 A I think as a general rule, as I've testified  
6 earlier, it was just desirable to have two staff members at  
7 Trinity designated as officers for signatory purposes, that's  
8 the only thing I can even conceive or recall.

9 Q Would it be fair to state that his addition as an  
10 assistant secretary was simply, you know, a matter of course  
11 because Translator TV, Inc. was having services performed for  
12 it by Trinity Broadcasting Network?

13 A That would certainly be one reason.

14 Q Isn't that the only reason?

15 A I think it probably would be, yes.

16 Q Would you please turn to Mass Media Exhibit 96.

17 A Yes, sir.

18 Q Now, in the first paragraph it notes who was present  
19 at the meeting and the persons included your brother Philip,  
20 John Casoria and Jane Duff.

21 A Yes.

22 Q Now, if you would, just -- you can glance through  
23 the minutes here to get oriented as to what this meeting is  
24 all about and the question that I want you to have in mind as  
25 you're doing that is, why is Jane here?

1           A     Yes, sir, I'm generally aware now of the purpose of  
2 this meeting. What was the question again?

3           Q     Why is Jane here?

4           A     It wasn't totally untypical for Jane to attend a  
5 meeting like this since she also was one of the assistant's to  
6 the president, myself.

7           Q     I'd like you to turn to page 3 of the meeting, the  
8 first paragraph.

9           A     Yes, sir. Yes, sir, I've got that.

10          Q     All right, I take it the board consideration for the  
11 negotiation and purchase of construction permits was limited  
12 to TBN and did not include Translator TV, Inc.

13          A     Yes, sir, this is clearly a TBN special board  
14 meeting.

15          Q     But consideration was not given for Translator TV,  
16 Inc. to purchase the construction permits that were available  
17 and that are noted here.

18          A     I have no recollection at this meeting of that  
19 consideration.

20          Q     Now, there is a resolved -- and a resolved further  
21 paragraph, the paragraph that I would like you to look at is  
22 the resolved paragraph, do you see that in the middle of the  
23 page?

24          A     Yes.

25          Q     And just read that to yourself.

1           A     Yes, I've read that.

2           Q     Now, with that paragraph in mind, please turn to  
3 Mass Media Exhibit 97.

4           A     Yes, sir.

5           Q     And I'm not going to ask you to study the document  
6 but just familiarize yourself with it so you have an idea of  
7 what it is.

8           A     I am already generally familiar with this document.

9           Q     Now, would the license agreement that we have here  
10 as Mass Media Exhibit 97 be the first formal arrangement made  
11 between Trinity Broadcasting Network and Set Free Ministries  
12 or Set Free Christian Fellowship, Inc.?

13          A     To my knowledge, this was the first such  
14 arrangement.

15          Q     And to put it sort of in condensed form, the  
16 arrangement essentially was TBN had bought this house for Set  
17 Free and Set Free had the use of the house in exchange for  
18 various services that it was going to provide?

19          A     The main purpose, Mr. Shook, was just to meet a very  
20 urgent need expressed to us by Pastor Aguilar, he was housing  
21 homeless people in his own home and it was becoming a real  
22 problem and through our Care Partner ministry lines we were  
23 referring a lot of needy people to him so we felt almost an  
24 obligation to do something to help this good pastor so we  
25 purchased this large old house in downtown Anaheim, California

1 and through this licensing agreement turned it over at no cost  
2 to him and his church to use to bring homeless people off the  
3 streets.

4 Q Please turn to Mass Media Exhibit 98.

5 A Yes, sir.

6 Q Now, you'll note that this is a special meeting of  
7 Trinity Broadcasting Network and if you could look through  
8 this briefly, the question I have for you is why is Jane  
9 there?

10 A I think my answer can only be the same, she was one  
11 of the assistants to the president and in certain instances it  
12 was desirable on my part to have her there.

13 Q Now, looking at the last substantive paragraph,  
14 actually the second to the last and the last substantive  
15 paragraph, what is going on here in terms of the  
16 classification of stations and it looks like it's covering the  
17 networks affiliates and perhaps you can explain to me what  
18 we're talking about here, what network affiliates are being  
19 considered?

20 A The best recollection I have on this, Mr. Shook, is  
21 that we were sort of classifying our own stations, by our own,  
22 I mean Trinity Broadcasting's owned and operated stations sort  
23 of by pecking order of importance and I think this sort of  
24 tied into maybe even the pay scales that the managers and  
25 employees of those stations might be entitled to so you'll

1 notice that we classify a full production studio, a station  
2 with limited production facilities and a station with  
3 virtually no production facilities.

4 Q Very good. Now, I take it then this is not meant --  
5 and I emphasize not meant, to cover stations that would be  
6 licensed to TriState or All American or any such entity?

7 A Oh, oh, no, sir.

8 Q These are just for the owned and operated stations.

9 A Yes, sir.

10 Q Now, I'd like you to turn to Mass Media Exhibit 99.

11 A Yes, sir.

12 Q The very last substantive paragraph where it reads  
13 "resolved", just read that to yourself.

14 A Yes, sir, I see that.

15 Q I take it the sum that was not to exceed \$3.5  
16 million that was going to be lent to Trinity Broadcasting of  
17 Texas was not going to be evidenced by a note?

18 A No.

19 Q Please turn to Mass Media Exhibit 100.

20 A Yes, sir.

21 Q I'd like you to turn to page 2.

22 A Yes, sir.

23 Q The paragraph that begins "Praise the Lord", do you  
24 see that?

25 A Yes.

1 Q Now, just read that to yourself.

2 A Yes, I've read that.

3 Q All right, with the third sentence beginning with  
4 "FCC approval we will soon have", etc. The "we" there is  
5 referencing owned and operated companies, is it not?

6 A In this case it would be both. Again, "we" meaning  
7 the universal family of TBN who together are doing all of  
8 these good things but in this case these particular three  
9 stations, Albuquerque, Canton, Akron and Greensboro, Winston-  
10 Salem would clearly be Trinity owned and operated stations.

11 Q Now, the reason I ask that is because we get to the  
12 next sentence which speaks of "our sister stations" and then  
13 there are markets noted there, Chicago, Tulsa, Kansas City and  
14 Birmingham. I take it that "our sister stations" does not  
15 mean an owned and operated company.

16 A Definitely not and this is a definite term that I  
17 authored. Sister stations and affiliated stations are  
18 synonymous in my mind.

19 Q Now, two sentences after that, "we wait for FCC  
20 approval for twenty-six low and medium-power stations  
21 scattered all over the United States." Do you see that?

22 A Yes, sir.

23 Q Now, you will recall from earlier newsletters that  
24 that number twenty-six for low and medium-power stations had  
25 come up a number of times dating back to 1981 --



1 A Yes, sir.

2 Q -- when the applications for Translator TV, Inc. had  
3 just been filed. Am I to understand from this reference that  
4 the "we" here includes Translator TV, Inc.

5 A The few stations that TTI had filed for certainly  
6 may have been included in this twenty-six number and I was  
7 perhaps including again the broad spectrum of the network of  
8 affiliated stations and organizations in this number.

9 (Off the record. Back on the record.)

10 Q Okay, could you elaborate on that, which companies?

11 JUDGE CHACHKIN: Well, are we ready? Go ahead.

12 BY MR. SHOOK:

13 Q Could you elaborate on what you meant by that, which  
14 companies did you have in mind and I'm -- if you remember, if  
15 you don't remember we can move on. I just assumed --

16 A I really don't remember but I'm confident that I  
17 probably was including the broader spectrum of the network and  
18 the affiliated entities in this number twenty-six but I'm not  
19 absolutely sure of that.

20 Q Now, I'd like you to turn to page 6. Do you see the  
21 listing of station at the bottom?

22 A Yes, sir.

23 Q What, if any, common thread exists among those  
24 stations?

25 A Again I think a commonality of members of the board